

INVESTMENT PATTERN OF PADDY PROCESSING UNITS: A CASE OF EAST GODAVARI DISTRICT IN ANDHRA PRADESH

NIVEDITHA KONDEPUDI¹, SHANMUKH SAGAR KUNUKU² & MAYURI KORIPALLI³

¹Independent Researcher, Acharya N.G. Ranga Agricultural University, Hyderabad, Telangana, India

²Doctoral Scholar, National Institute of Food Technology Entrepreneurship and Management, Haryana, India

³Doctoral Scholar, Acharya N.G. Ranga Agricultural University, Hyderabad, Telangana, India

ABSTRACT

Paddy is one the major food crop in India. The present study made an attempt to examine the Investment Pattern of Paddy processing units in West Godavari district of Andhra Pradesh. The study was taken up in 2011-12. For the study, five Paddy mills were purposively selected. The study analysed the investment pattern (2007-08 to 2011-12). The technique used to analyse the investment pattern is Percentage change analysis. Further, variables of Capital, Owned Funds, Secured Loans, Unsecured Loans, Current Liabilities, Current Assets, Fixed Assets, Cost of Goods Sold (COGS), Net Sales, Gross Profit, Net Profit were analysed to see the percent change in them. The results were illustrated with appropriate graphical and tabular representation. Out of the five units, three units showed a positive percentage change, while the other two showed a negative change. Four of the Paddy processing units exhibited positive percentage change in owned funds.

KEYWORDS: Paddy Processing, Rice Mills, Percentage Change Analysis, West Godavari

INTRODUCTION

Paddy is a monocot plant *Oryzasativa* (Asian Paddy). As a cereal grain, it is the most widely consumed staple food for a large part of the World's human population, especially in Asia and the West Indies. It is the grain with the second highest world-wide production, after Maize (corn). Paddy is one of the most important food crops of India in terms of area, production and consumer preference. Rice is obtained by processing paddy. The practice of processing is as old as the cultivation of Paddy itself and finds reference even in Vedic literature. Different types of processing equipment for shelling /polishing of Paddy existed in Indian homes many centuries ago. West Godavari is one of the major paddy growing areas and it has the most number of paddy processing units in the state. The district consists of more than 500 paddy processing units which includes modern and traditional processing units. Keeping in view the above issues, a modest attempt was made to analyse the investment pattern of paddy processing units in West Godavari district of Andhra Pradesh.

Objective of the Study

The specific Objective of the study is to analyse the Investment pattern of the Paddy Processing Units in the district of West Godavari in Andhra Pradesh.

Hypothesis of the Study

There is an increasing trend in the investment pattern of paddy processing units in West Godavari district of

Andhra Pradesh.

Limitations of the Study

The study pertains to the private processing units and the owners are generally suspicious of the motives of any investigation. Therefore, the investigator has confronted with various drawbacks in ascertaining accuracy of data. However, greater care was taken to collect the data as accurately as possible. Further, the expressed opinion with regard to various issues of the study may not be totally free from personal bias and prejudice. Hence, the results of the study cannot be generalized (beyond the limits of the study area) in Andhra Pradesh as a whole.

REVIEW OF LITERATURE

In the recent years, there has been a phenomenal growth in the number of agro-processing units and hence, several studies have been conducted to identify the investment patterns of such units. Some important studies have been reviewed hereunder. Gupta and George (1974) studied the stages of modernization in the rice milling industry in Punjab state. The investment pattern of the modernized paddy processing units revealed that land, buildings and machinery constituted 88 per cent of the total investment followed by transportation, equipment and other fixtures. The results also indicated that the fixed cost per mill increased with an increase in the size of the mill. The fixed cost was higher for modern mills than that for traditional ones. The average variable cost for all the mills together was Rs 2.33 per quintal of paddy milled from the point of the view of operating cost (fixed and variable) alone and one tonne capacity mill appeared to be the most efficient mill size.

Ipte and Borude (1982) studied the economics of marketing and processing of cashew nut in Ratnagiri and Sindhudurg districts of Maharashtra state reported that capital investment in different groups of factories was Rs. 18, 54,710 of which 12.96 per cent was fixed capital. The important items of fixed capital were investments on building and roasting machinery, while the items of working capital were raw nuts, wages and salaries, fuel, containers, packing and packaging. The capital investment was lowest (Rs. 5.21 lakhs) in small factories and highest (Rs. 71.70 lakhs) in large size factories.

Nagesh (1990) in his study on investment in production and marketing of cashew in Karnataka, indicated that the capital investment was the highest on building (72.81 %) followed by machinery and equipments (15.42 %) and land (11.77 %) at an overall level of the units. Further, it was observed that the processing units utilized only 5.80 per cent of their capacity.

Venkatashshaiah (1992) evaluated the groundnut processing units in Andhra Pradesh. It was found that there was a direct relationship between the total capital invested and the size of oil mills. The study reported that the capital requirement per quintal of oil production was Rs 161.01 in baby expeller mills, Rs 112.24 in two-chamber expeller mills and Rs 83.86 in three-chamber expeller mills.

Amrutha (1994) studied the economics of processing paddy into rice, poha, murmura and popped rice in Chitradurga and Dharwad districts of Karnataka. The results showed that the capital investment on rice mill, poha mill, murmura mill and popped rice unit was Rs. 17, 92,250; Rs 5, 33,225; Rs. 16,740; and Rs. 20,786 respectively.

Singh et al. (1994) studied the economics of marketing and processing of pulses in Bhundelkhand region of Uttar Pradesh. They estimated that of the total cost, land and building accounted for the highest share (51.97 %) followed by

machinery and equipment (40 %), electrical fittings (4.72 %) and other capital items (3.31 %) in arhar processing plant. In the case of grain processing units, land and building, machinery, electricity and other capital items accounted for 50.26, 42.19, 4.77 and 2.78 per cent, respectively.

Dev (1998) in his study on management appraisal of cashew processing industry in Uttar Kannada found that the total capital investment directly varied with the size of the unit. Further, he concluded that the total capital investment was Rs. 117.5 lakhs for large scale units and Rs. 36.32 lakhs for small scale units, wherein majority (80 %) of the fixed capital investment was on building and machinery.

Joshi et al. (1999) studied the capital investment pattern in home, cottage, small and large scale mango pulp processing units in South Konkan region of Maharashtra State. The fixed capital accounted for Rs.1.01, Rs.1.60, Rs.1.80 and Rs. 20.70 lakhs and the working capital was Rs. 2.25, Rs. 11.35, Rs. 4.34 and Rs.21.03 lakhs, respectively. The working capital invested was more than that of fixed capital in all the categories.

METHODOLOGY

The sampling method is Convenience Sampling. Considering the importance of paddy crop in West Godavari district and presence of most number of paddy processing units in the state along with East Godavari, this area was purposively selected for the study. A sample of five paddy processing units was purposively selected.

In order to analyze the objectives of the study, the data collected was subjected to analysis through appropriate technique as follows.

Percentage Change Analysis

The percentage change analysis is a way to express a change in a variable. It represents the relative change between the old value and the new one. The percentage change is calculated by the formula:

$$\frac{V2 - V1}{V1} \times 100$$

Where,

V1= previous year value

V2= current year value

RESULTS AND DISCUSSIONS

In order to analyse the investment pattern of the selected paddy processing units, the financial statements for the past five years from 2008-2012 were considered. The financial performance indicators such as Capital, Owned Funds, Secured Loans, Unsecured Loans, Current Liabilities, Current Assets, Fixed Assets, Cost of Goods Sold (COGS), Net Sales, Gross Profit and Net Profit were considered.

Percentage Change Analysis

The percentage change analysis was used to analyse the investment pattern of the paddy processing units. This

analysis enables to estimate the year-wise change in financial performance indicators. The results obtained from this analysis were expressed in percentage (%).

Capital

The year-wise percentage change in the capital investment of the selected paddy processing units are presented in Table 1 and Figure 2. The percentage positive change in capital invested by Mill 1 was the highest (56.02 %) for the year 2010-11 followed by 2008-09 (29.61 %), 2009-10 (8.07 %) and 2011-12 (8.06%). For Mill 2, the percentage positive change in capital invested was the highest (18.14 %) for theyear 2011-12 followed by 2008-09 (12.12 %) and 2009-10 (4.39 %). The percentage positive change was the highest (69.78%) for the year 2008-09 for Mill 3, followed by 2010-11 (22.46 %), 2011-12 (16.99 %) and 2009-10 (5.83 %). In the case of Mill 4, the percentage positive change in capital invested was the highest (113.23 %) for the year 2011-12 followed by 2010-11(54.28 %) and 2009-10 (31.23 %). The percentage positive change was the highest (60.81 %) for the year 2009-10 for Mill 5, followed by 2010-11 (36.35 %), 2008-09 (25.66 %) and 2011-12 (13.46 %).

Owned Funds

The year-wise percentage change in the owned funds of the selected paddy processing units is presented in Table 2 and Figure 3. The percentage positive change in owned funds for Mill 1 was the highest (53.28 %) for the year 2010-11 followed by 2008-09 (27.61 %), 2011-12 (8.10 %) and 2009-10 (8.06 %). In the case of Mill 2, the percentage positive change in owned funds was the highest (17.57 %) for the year 2011-12 followed by 2008-09 (10.24 %) and 2009-10 (4.50 %). The percentage positive change was the highest (66.49 %) for the year 2008-09 for Mill 3, followed by 2010-11 (22.79 %), 2011-12 (16.56 %) and 2009-10 (5.98 %). For Mill 4, the percentage positive change was the highest (47.36 %) for the year 2011-12 followed by 2009-10 (36.65 %), 2010-11 (13.84 %) and 2008-09 (9.57 %). The percentage positive change was the highest (63.79 %) for the year 2009-10 for Mill 5, followed by 2010-11 (38.63 %), 2011-12 (19.16 %) and 2008-09 (17.48 %).

Secured Loans

The year-wise percentage change in the secured loans of the selected paddy processing units is presented in Table 3 and Figure 4. For Mill 1, the percentage positive change in secured loans was the highest (78.53 %) for the year 2008-09 followed by 2011-12 (40.07 %) and 2009-10 (14.91 %). In the case of Mill 2, the percentage change was positive (85.98 %) only for the year 2009-10. The percentage positive change for Mill 3 was the highest (6.71 %) for the year 2008-09 followed by 2011-12 (1.16 %). In the case of Mill 4, the percentage positive change in secured loans was the highest (106.31 %) for the year 2008-09 followed by 2010-11 (12.24 %) and 2011-12 (8.47 %). For Mill 5, the percentage positive change was the highest (43.85 %) for the year 2009-10 followed by 2008-09 (20.80 %).

Unsecured Loans

The year-wise percentage change in the unsecured loans of the selected paddy processing units is presented in Table 4 and Figure 5. For Mill 1, the percentage change was positive (24.82 %) only for the year 2011-12. In the case of Mill 2, the percentage positive change was the highest (25.89 %) for the year 2009-10 followed by 2011-12 (13.12 %). The percentage positive change was the highest (29.57 %) for the year 2009-10 for Mill 3 followed by 2008-09 (9.78 %). In the case of Mill 4, the percentage positive change in unsecured loans was the highest (97.06 %) for the year 2009-10 followed by 2010-11(38.99 %) and 2011-12 (3.42 %). The percentage change was positive (25.89 %) only for the year 2009-10 for

Mill 5.

Current Liabilities

The year-wise percentage change in the current liabilities of the selected paddy processing units is presented in Table 5 and Figure 6. The percentage positive change in current liabilities was the highest (133.67 %) for the year 2010-11 for Mill 1 followed by 2009-10 (37.88 %). In the case of Mill 2, the percentage positive change was the highest (57.51 %) for the year 2009-10 followed by 2008-09 (6.28%). The percentage positive change was the highest (200.49 %) for the year 2009-10 for Mill 3, followed by 2010-11 (115.72 %). For Mill 4, the percentage change was positive (122.35 %) only for the year 2009-10. In the case of Mill 5, the percentage positive change was the highest (37.09 %) for the year 2011-12 followed by 2009-10 (30.83%) and 2008-09 (27.96 %).

Current Assets

The year-wise percentage change in the current assets of the selected paddy processing units is presented in Table 4.6 and Figure 7. The percentage positive change in current assets for Mill 1 was the highest (24.56 %) for the year 2010-11 followed by 2008-09 (21.57%), 2009-10 (21.54%) and 2011-12 (14.54 %). In the case of Mill 2, the percentage positive change was the highest (78.65 %) for the year 2009-10 followed by 2011-12 (2.18 %). The percentage positive change was the highest (17.98 %) for the year 2009-10 for Mill 3, followed by 2011-12 (17.23 %). For Mill 4, the percentage positive change was the highest (14.97 %) for the year 2008-09 followed by 2011-12 (7.44 %) and 2009-10 (2.82 %). The percentage positive change was the highest (62.92 %) for the year 2011-12 for Mill 5, followed by 2009-10 (37.29 %) and 2008-09 (25.08%).

Fixed Assets

The year-wise percentage change in the fixed assets of the selected paddy processing units is presented in Table 7 and Figure 8. In the case of Mill 1, the year-wise percentage changes were negative throughout the reference period while the changes were positive for Mill 5. In the case of Mill 1, the percentage negative change was the highest (- 24.64 %) for the year 2008-09 followed by 2011-12 (- 22.36 %), 2009-10 (-13.24 %) and 2010-11 (- 1.16 %). For Mill 2, the percentage positive change was the highest (40.50 %) for the year 2010-11 followed by 2008-09 (27.45 %) and 2011-12 (12.56 %). The percentage positive change was the highest (14.28 %) for the year 2008-09 for Mill 3, followed by 2011-12 (7.59 %) and 2009-10 (6.24 %). In the case of Mill 4, the percentage change was positive (5.65 %) only for the year 2009-10. For Mill 5, the percentage positive change was the highest (59.66 %) for the year 2008-09 followed by 2009-10 (38.96 %), 2010-11 (20.87 %) and 2011-12 (7.52 %).

Cost of Goods Sold (COGS)

The year-wise percentage change in the COGS of the selected paddy processing units is presented in Table 8 and Figure 9. The percentage positive change was the highest (32.39 %) in Mill 1 for the year 2009-10 followed by 2010-11 (14.35 %) and 2011-12 (7.70 %). In the case of Mill 2, the percentage positive change was the highest (67.13 %) in year 2010-11 followed by 2008-09 (12.41%) and 2009-10 (2.14 %). For Mill 3, the percentage positive change was the highest (24.87 %) for the year 2009-10 followed by 2010-11 (19.20 %), 2008-09 (15.24 %) and 2011-12 (1.34 %). The percentage positive change was the highest (65.07 %) for Mill 4 for the year 2008-09 followed by 2009-10 (21.50 %) and 2010-11 (3.59 %). In the case of Mill 5, the percentage positive change was the highest (39.58 %) for the year 2010-11 followed by 2009-10 (2.14 %).

Net Sales

The year-wise percentage change in the net sales of the selected paddy processing units is presented in Table 9 and Figure 10. For Mill 1, the percentage positive changes in net sales was the highest (86.89 %) for the year 2011-12 followed by 2008-09 (21.95 %), 2009-10 (12.56%) and 2010-11 (10.01 %). In the case of Mill 2, the percentage positive change was the highest (56.50 %) for the year 2010-11 followed by 2008-09 (18.41 %) and 2009-10 (10.14 %). For Mill 3, the percentage positive change was the highest (23.66 %) for the year 2010-11 followed by 2009-10 (19.81 %), 2008-09 (9.58 %) and 2011-12 (5.91 %). For Mill 4, the percentage positive change was the highest (49.70 %) for the year 2008-09 followed by 2009-10 (18.11 %) and 2010-11 (7.41 %). In the case of Mill 5, the percentage positive change was the highest (39.30 %) for the year 2008-09 followed by 2009-10 (29.65%), 2010-11 (21.56 %) and 2011-12 (15.70%).

Gross Profit

The year-wise percentage change in the gross profit of the selected paddy processing units is presented in Table 10 and Figure 11. The percentage positive change in gross profit was the highest (23.78 %) for Mill 1 for the year 2011-12 followed by 2008-09 (21.46 %), 2010-11 (16.39 %) and 2009-10 (12.71 %). In the case of Mill 2, the percentage positive change was the highest (32.05 %) for the year 2008-09 followed by 2011-12 (21.53 %). For Mill 3, the percentage positive change was the highest (92.64 %) for the year 2011-12 followed by 2010-11 (19.11 %). The percentage positive change was the highest (59.71 %) for Mill 4 for the year 2009-10 followed by 2008-09 (33.72 %) and 2011-12 (5.14 %). In the case of Mill 5, the percentage positive change was the highest (70.26 %) for the year 2008-09 followed by 2009-10 (41.74 %), 2011-12 (30.33 %) and 2010-11 (29.47%).

Net Profit

The year-wise percentage change in the net profit of the selected paddy processing units is presented in Table 11 and Figure 12. The percentage positive change in net profit was the highest (12.66 %) for Mill 1 for the year 2010-11 followed by 2011-12 (8.87 %), 2009-10 (7.94 %) and 2008-09 (3.94 %). In the case of Mill 2, the percentage positive change was the highest (57.49 %) for the year 2010-11 followed by 2009-10 (13.82 %). The percentage positive change was the highest (30.42 %) for Mill 3 for the year 2010-11 followed by 2008-09 (14.27 %), 2009-10 (9.34 %) and 2011-12 (7.30 %). For Mill 4, the percentage positive change was (64.57 %) for the year 2010-11 followed by 2009-10 (41.63 %), 2008-09 (28.73 %) and 2011-12 (14.64 %). The percentage positive change was the highest (65.66 %) for Mill 5 for the year 2008-09 followed by 2009-10 (64.92 %), 2010-11 (39.48 %) and 2011-12 (21.22 %).

Table 1: Year-wise Capital Investment of Selected Paddy Processing Units (Rs)

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	6,05,55,100	7,84,89,483	8,48,30,001	13,23,59,304	14,30,34,626
		-29.61	-8.07	-56.02	-8.06
Mill 2	1,32,63,042	1,48,71,772	1,55,24,860	1,48,05,328	1,74,91,202
		-12.12	-4.39	(-4.63)	-18.14
Mill 3	7,57,435	12,86,011	13,61,088	16,66,844	19,50,188
		-69.78	-5.83	-22.46	-16.99
Mill 4	70,24,948	66,24,948	86,94,248	1,34,13,955	2,86,03,164
		(-5.69)	-31.23	-54.28	-113.23
Mill 5	1,26,30,042	1,58,71,772	2,55,24,860	3,48,05,328	3,94,91,202
		-25.66	-60.81	-36.35	-13.46

Table 2: Year-Wise Owned Funds of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	6,56,71,396	8,38,07,570	9,05,70,519	13,88,26,593	15,00,75,776
		-27.61	-8.06	-53.28	-8.1
Mill 2	1,36,57,291	1,50,56,870	1,57,35,543	1,51,37,138	1,77,96,838
		-10.24	-4.5	(-3.80)	-17.57
Mill 3	8,05,084	13,40,460	14,20,623	17,44,493	20,33,511
		-66.49	-5.98	-22.79	-16.56
Mill 4	1,26,22,611	1,38,31,288	1,89,00,588	4,04,17,677	5,95,60,303
		-9.57	-36.65	-13.84	-47.36
Mill 5	2,65,93,805	5,78,36,647	9,47,35,542	13,13,41,261	15,65,18,861
		-17.48	-63.79	-38.63	-19.16

Table 3: Year-Wise Secured Loans of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	10,43,82,453	18,63,61,088	21,41,49,033	18,96,20,963	26,56,06,985
		-78.53	-14.91	(-11.45)	-40.07
Mill 2	1,15,95,579	19,276	1,10,61,722	-	-
		(-9.83)	-85.98		
Mill 3	1,00,92,760	1,07,70,166	1,05,71,899	1,02,11,766	1,03,31,166
		-6.71	(-1.84)	(-3.40)	-1.16
Mill 4	7,83,49,507	16,16,49,507	14,16,49,507	15,89,95,424	17,24,65,979
		-106.31	(-12.37)	-12.24	-8.47
Mill 5	15,95,57	1,92,760	2,77,285	-	-
		-20.8	-43.85		

Table 4: Year-wise Unsecured Loans of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	-	-	2,04,18,827	33,27,337	1,04,75,293
				(-3.70)	-24.82
Mill 2	79,99,353	74,04,222	93,21,439	73,53,589	83,18,415
		(-7.43)	-25.89	(-21.11)	-13.12
Mill 3	16,58,061	18,20,372	23,58,793	15,21,534	12,90,925
		-9.78	-29.57	(-35.49)	(-15.15)
Mill 4	1,83,20,448	26,23,743	2,51,70,448	71,86,500	74,32,721
		(-5.67)	-97.06	-38.99	-3.42
Mill 5	79,99,353	74,04,222	93,21,439	-	-
		(-7.43)	-25.89		

Table 5: Year-Wise Current Liabilities of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	3,17,20,798	1,48,08,588	2,04,18,827	4,77,13,358	-
		(-53.31)	-37.88	-133.67	
Mill 2	4,61,41,802	4,90,43,978	7,72,49,935	3,53,04,713	11,90,10,126
		-6.28	-57.51	(-54.29)	(-37.09)
Mill 3	26,96,047	11,32,275	34,02,381	73,39,663	10,52,489
		(-58.00)	-200.49	-115.72	(-85.66)
Mill 4	4,69,55,284	1,63,45,284	3,63,45,284	1,93,46,807	1,09,45,516
		(-65.18)	-122.35	(-46.76)	(-43.42)

Table 6: Year-Wise Current Assets of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	1,82,37,545	22,17,27,255	26,94,95,759	33,57,06,073	38,45,44,115
		-21.57	-21.54	-24.56	-14.54
Mill 2	1,76,31,725	83,42,175	2,52,70,475	72,12,374	73,70,097
		(-10.01)	-78.65	(-2.96)	-2.18
Mill 3	1,52,03,725	1,49,29,699	1,76,14,159	1,52,03,725	1,78,24,114
		(-1.80)	-17.98	(-13.68)	-17.23
Mill 4	14,18,262	16,08,08,248	16,53,54,959	16,10,82,026	17,30,77,446
		-14.97	-2.82	(-2.58)	-7.44
Mill 5	5,38,70,512	6,73,86,153	9,25,20,410	5,25,17,087	13,80,80,223
		-25.08	-37.29	(-43.23)	-62.92

Table 7: Year-Wise Fixed Assets of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	7,41,48,111	5,58,77,597	4,84,78,193	4,79,28,194	3,72,11,424
		(-24.64)	(-13.24)	(-1.16)	(-22.36)
Mill 2	38,16,276	1,24,96,555	1,06,37,547	1,49,46,543	1,68,24,393
		-27.45	(-14.87)	-40.5	-12.56
Mill 3	70,002	80,002	85,002	79,004	85,004
		-14.28	-6.24	(-7.05)	-7.59
Mill 4	4,64,35,234	2,64,35,234	4,64,35,234	4,40,90,337	4,35,65,333
		(-43.07)	-5.65	(-5.04)	(-1.19)
Mill 5	28,16,276	44,96,555	2,06,37,547	2,49,46,543	2,68,24,393
		-59.66	-38.96	-20.87	-7.52

Table 8: Year-Wise Cost of Goods Sold (COGS) of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	-	33,27,16,803	43,74,98,204	49,69,50,390	53,67,78,610
			-32.39	-14.35	-7.7
Mill 2	18,96,72,800	21,32,12,333	21,77,85,793	36,39,98,579	23,58,60,720
		-12.41	-2.14	-67.13	(-5.20)
Mill 3	4,19,23,675	4,83,17,019	6,03,37,932	7,19,23,675	7,29,00,474
		-15.24	-24.87	-19.2	-1.35
Mill 4	16,90,36,822	27,90,36,822	33,90,33,822	35,12,28,810	32,07,78,322
		-65.07	-21.5	-3.59	(-8.66)
Mill 5	23,14,79,290	21,32,12,330	21,77,85,793	30,39,98,588	25,58,60,720
		(-7.89)	-2.14	-39.58	(-15.83)

Table 9: Year-Wise Net Sales of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	39,54,69,026	48,22,87,369	54,29,03,828	59,72,88,589	1,11,62,94,261
		-21.95	-12.56	-10.01	-86.89
Mill 2	20,09,26,200	23,79,24,603	26,20,33,098	41,01,34,198	25,92,67,342
		-18.41	-10.14	-56.5	(-36.78)
Mill 3	4,80,98,634	5,27,10,747	6,31,53,554	7,80,98,634	8,27,15,523
		-9.58	-19.81	-23.66	-5.91
Mill 4	22,13,09,659	33,13,06,659	39,13,06,659	42,03,15,146	38,25,96,980
		-49.7	-18.11	-7.41	(-8.97)
Mill 5	20,04,59,009	27,92,46,230	36,20,53,098	44,01,34,168	50,92,67,342
		-39.3	-29.65	-21.56	-15.7

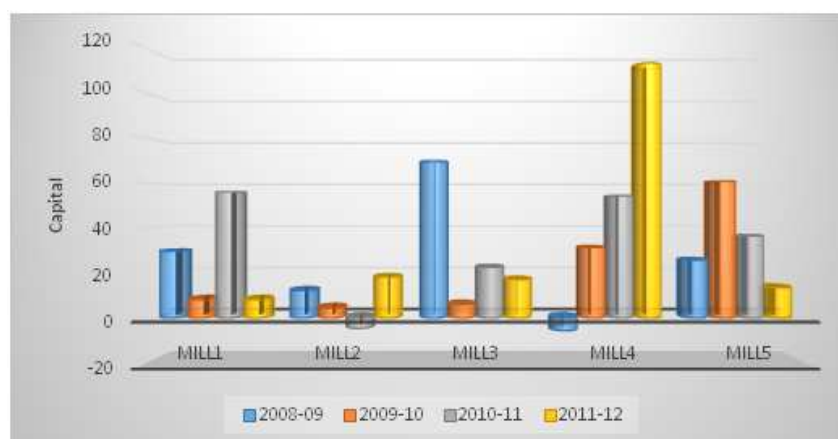
Table 10: Year-Wise Gross Profit Of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	3,87,20,064	4,70,13,170 -21.46	5,29,89,908 -12.71	6,16,76,855 -16.39	7,63,43,938 -23.78
Mill 2	98,24,306	1,29,73,314 -32.05	1,07,31,591 (-17.27)	96,44,489 (-10.12)	1,17,21,744 -21.53
Mill 3	61,74,959	43,93,728 (-28.84)	28,15,622 (-35.91)	33,53,934 -19.11	98,15,049 -92.64
Mill 4	2,44,74,640	3,27,28,370 -33.72	5,22,72,837 -59.71	3,60,72,674 (-30.99)	3,79,29,220 -5.14
Mill 5	3,22,08,803	5,48,40,521 -70.26	7,77,31,591 -41.74	10,06,44,891 -29.47	13,11,79,544 -30.33

Table 11: Year-Wise Net Profit of Selected Paddy Processing Units

	2007-08	2008-09	2009-10	2010-11	2011-12
Mill 1	51,16,296	53,18,087 -3.94	57,40,518 -7.94	64,67,289 -12.66	70,41,150 -8.87
Mill 2	3,94,249	1,85,098 (-3.05)	2,10,682 -13.82	3,31,810 -57.49	3,05,636 (-7.88)
Mill 3	47,649	54,449 -14.27	59,535 -9.34	77,649 -30.42	83,323 -7.3
Mill 4	55,97,663	72,06,340 -28.73	1,02,06,340 -41.63	2,70,03,722 -64.57	3,09,57,139 -14.64
Mill 5	2,53,30,763	4,19,64,875 -65.66	6,92,10,682 -64.92	9,65,35,933 -39.48	11,70,27,659 -21.22

Note: Figures in parenthesis indicates the percentage change over the previous year

**Figure 1: Year-Wise Capital Investment of Selected Paddy Processing Units**

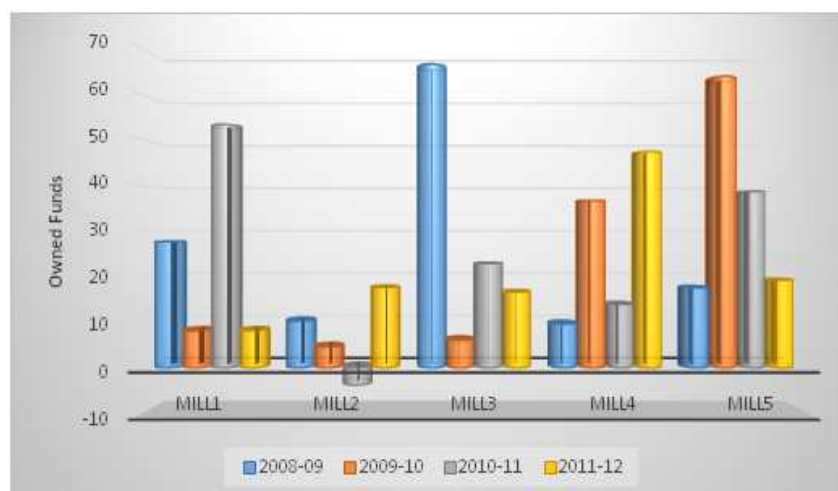


Figure 2: Year-wise Owned Funds of Selected Paddy Processing Units

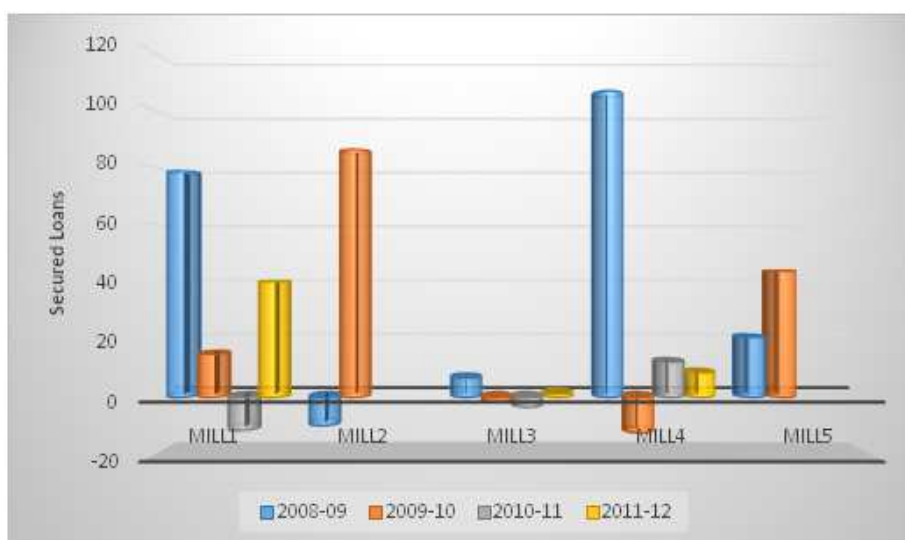


Figure 3: Year-Wise Secured Loans of Selected Paddy Processing Units

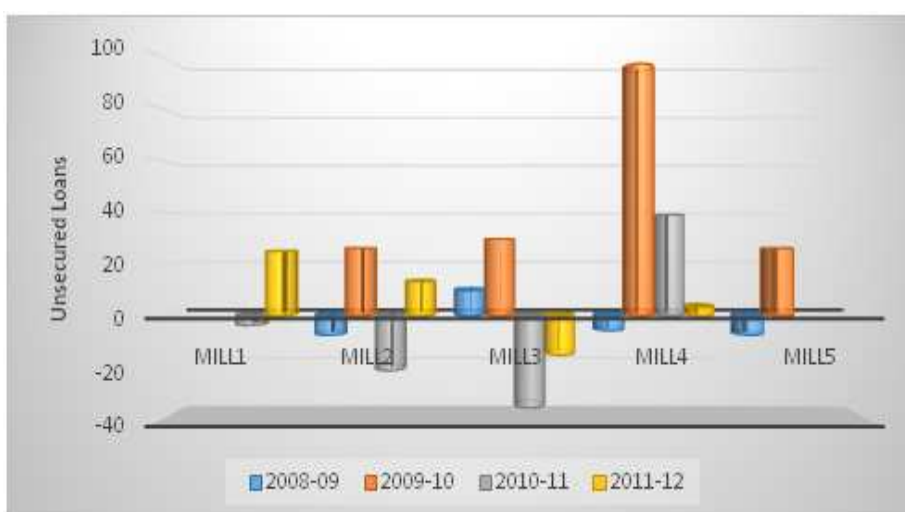


Figure 4: Year-Wise Unsecured Loans of Selected Paddy Processing Units

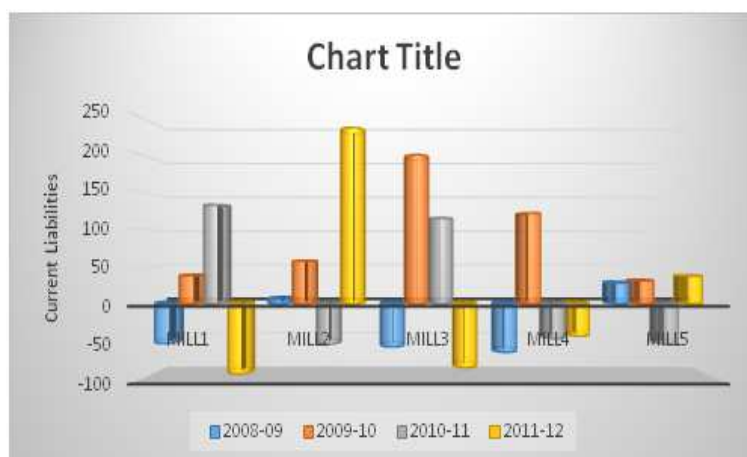


Figure 5: Year-Wise Current Liabilities of Selected Paddy Processing Units

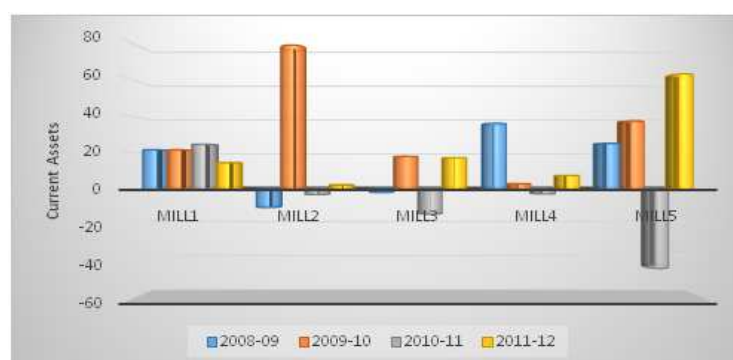


Figure 6: Year-Wise Current Assets of Selected Paddy Processing Units

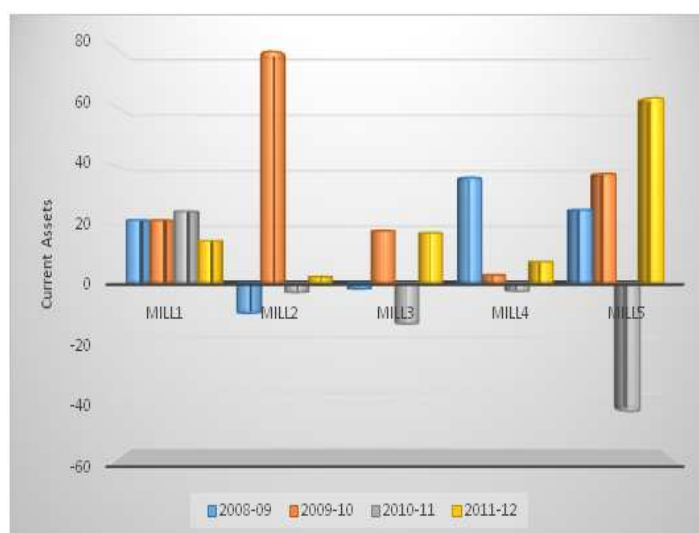


Figure 7: Year-Wise Fixed Assets of Selected Paddy Processing Units

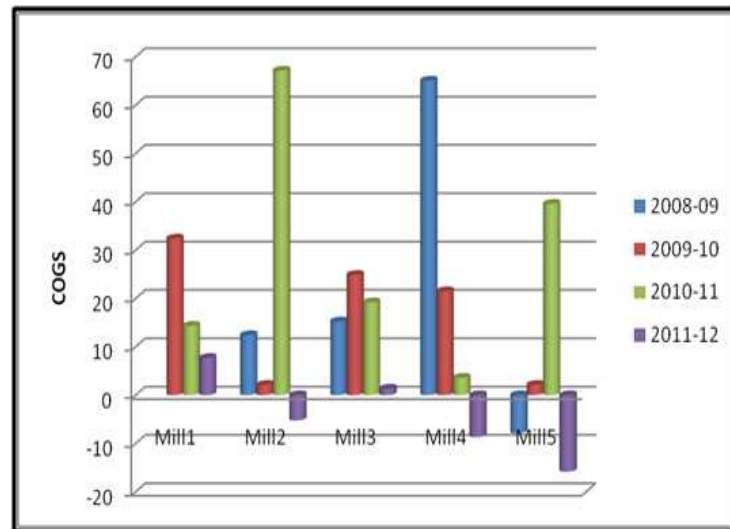


Figure 8: Year-Wise COGS of Selected Paddy Processing Units

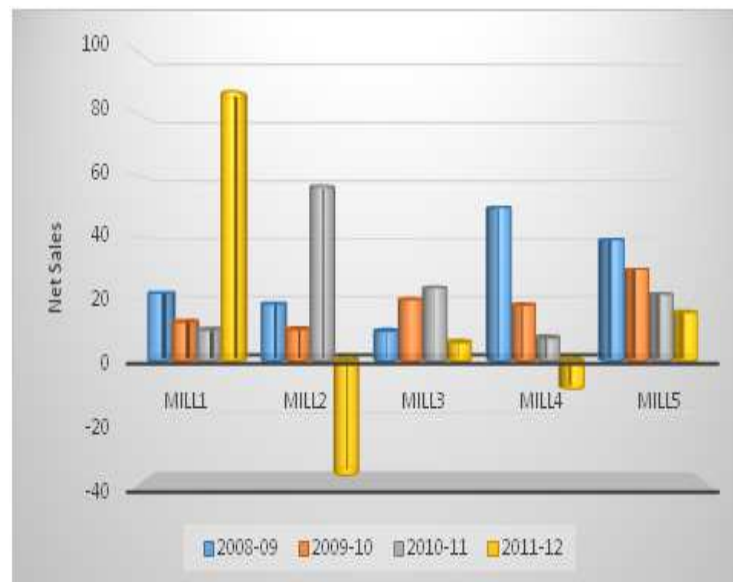


Figure 9: Year-Wise Net Sales of Selected Paddy Processing Units

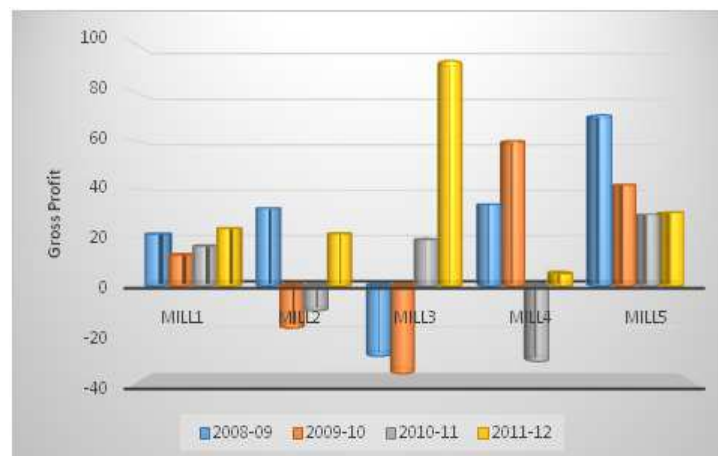


Figure 10: Year-Wise Gross Profit of Selected Paddy Processing Units

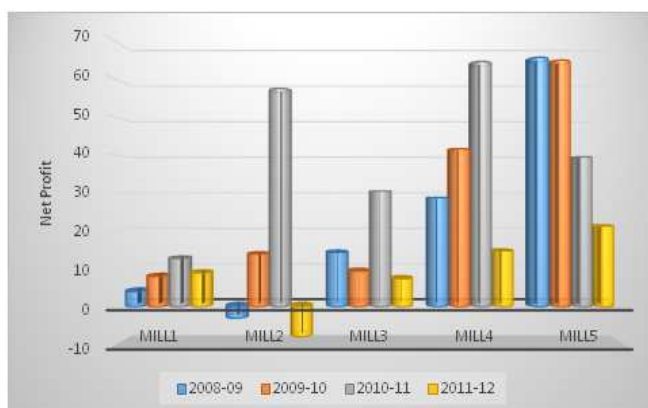


Figure 11: Year-Wise Net Profit of Selected Paddy Processing Units

SUMMARY AND CONCLUSIONS

The most important findings of the study are summarized below.

For Mill 1, Mill 3 and Mill 5 the percentage change in the capital invested was found to be positive throughout the reference period while for Mill 2 and Mill 4, it was found to be negative in 2010-11 and 2008-09 respectively. Since, Mill 1 being a newly established one, it requires high capital for the expansion of the mill. In case of the Mill 2 and Mill 5, decrease in capital was due to the fact that the drawings from the account increased during the period. However, for Mill 3 and Mill 5 the contribution of net profit was increasing which in turn resulted in increase in capital investment of the mills. The positive percentage change was observed in all the selected paddy processing units except Mill 2 for the reference period for owned funds. Though there was an increasing trend in the owned funds for the reference period, the percentage change was negative for the year 2010-11. This was due to the fact that the capital invested decreased for that year. The Mills (Mill 1, Mill 3 and Mill 5) opted for more secured loans when compared to unsecured loans for the reference period. These secured loans were used for the purpose of acquiring fixed assets and their dependency on unsecured loans was decreased to meet their working capital requirements. There was an increase in current liabilities, current assets and fixed assets for Mill 2 and Mill 5; decrease in fixed assets for Mill 1 and Mill 4 and decrease in current assets for Mill 3 for the reference period. The percentage change in net sales for Mill 2 and Mill 4 were found to be negative for the year 2011-12 whereas it was positive for all the mills throughout the reference period. The net sales increased by 86.89 per cent in Mill 1 for the year 2011-12.

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